

Message Text

CONFIDENTIAL

PAGE 01 JAKART 12207 100144Z
ACTION EA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 SCS-03 CA-01 OMB-01 ACDA-07 DHA-05 EB-08
SIL-01 LAB-04 OPIC-03 MCT-01 TRSE-00 /093 W
-----041438 100846Z /10

R 091030Z SEP 77
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC 3770
INFO AMEMBASSY CANBERRA
AMEMBASSY PORT MORESBY
CINCPAC

C O N F I D E N T I A L JAKARTA 12207

CINCPAC ALSO FOR POLAD

E.O. 11652: GDS
TAGS: PINS, ID
SUBJECT: SECURITY SITUATION AT FREEPORT SULFUR SITE IN
IRIAN JAYA

REF: JAKARTA 10544

1. SUMMARY. FREEPORT SULFUR COPPER MINE IN IRIAN JAYA
EXPERIENCED THIS WEEK ANOTHER INCIDENT OF OPM SABOTAGE,
WHICH DURING AUGUST CAUSED 50 PERCENT CUT IN PRODUCTION.
COMPANY REPRESENTATIVE TELLS US THAT CONTINUED NECESSITY
TO PRODUCE AT THIS REDUCED LEVEL WILL RESULT IN MINE'S CLOSURE IF
COPPER PRICES REMAIN LOW AND IF DEBT AND TAX RELIEF IS
NOT FORTHCOMING. END SUMMARY.

2. WYN COATES, ASSISTANT TO PRESIDENT OF FREEPORT SULFUR
WHO IS ON HIS WAY TO VISIT COPPER MINE SITE IN IRIAN
JAYA, INFORMS US THAT FLUSH TANK SOME 8 MILES FROM MINE
AND 10 MILES FROM TOWN WAS BLOWN UP ON SEPTEMBER 7,
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JAKART 12207 100144Z

APPARENTLY WITH EXPLOSIVES STOLEN FROM MINE DURING
JULY 22 EVENTS. LACK OF FLUSH TANK INCREASES DANGER OF
SLUSH SOLIDIFYING IN PIPELINE AND WILL THEREFORE COMPOUND
PROBLEMS CREATED WHEN PIPELINE IS CUT BY SABOTEURS, WHICH
HAS OCCURRED SCORE OF TIMES SINCE JULY 22 COATES SAID.
COATES DID NOT KNOW WHEN FLUSH TANK MIGHT BE PUT BACK
IN OPERATION.

3. THIS INCIDENT, WHICH OCCURRED AT ISOLATED SITE, DOES NOT IN ITSELF SIGNAL DETERIORATION IN SECURITY SITUATION BUT UNDERScores INSTALLATION'S VULNERABILITY. COATES SAID INDONESIANS HAVE APPROXIMATELY 400 SECURITY PERSONNEL IN AREA AND ARE BRINGING IN TWO MORE POLICE MOBILE BRIGADE PLATOONS FROM SURABAYA AND UJUNG PANDANG. VILLAGERS IN IMMEDIATE VICINITY OF MINE FLED BEFORE JULY 22 EVENTS AND APPARENTLY WILL NOT BE ALLOWED TO RETURN BY INDONESIAN MILITARY EVEN IF THEY WISH TO DO SO. SOME 20 FREEPORT IRIANESE EMPLOYEES ARE STILL BEING DETAINED BY INDONESIANS AND ANOTHER FOUR WERE REMOVED TO JAYAPURA. COATES SAID FREEPORT SULFUR CONFIDENT THAT REMAINING STAFF DOES NOT CONTAIN OPM ELEMENTS AND THAT RECENT SABOTAGE WAS NOT "INSIDE JOB." AIRFIELD AND CONNECTING ROAD ARE SECURE. INDONESIANS ARE, HOWEVER, HAVING DIFFICULTY OVERCOMING OPM-INITIATED DISSIDENCE IN NEARBY AREAS. OPM HAS RETAINED CONTROL OF TOWN OF AKIMUGA, 40 MILES TO EAST OF AIRSTRIP, FOR THREE MONTHS, COATES TELLS US, DESPITE AIR-SUPPORTED MILITARY OPERATIONS TO RECOVER IT. OPM SUPPORTERS HAVE REPORTEDLY BEEN DISILLUSIONED BY LACK OF SUPPLIES THEY HAD BEEN TOLD WOULD BE FORTHCOMING FROM PNG, BUT COATES FEARS INDONESIAN SECURITY SWEEPS WILL CREATE OFFSETTING HOSTILITY AMONG LOCAL POPULACE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 JAKART 12207 100144Z

4. WITH CURRENT LOW WORLD PRICE FOR COPPER, COMPANY COULD NOT SUSTAIN PRODUCTION AT CURRENTLY LOW LEVEL BEYOND FIRST FEW MONTHS OF NEXT YEAR, COATES SAID, UNLESS IT RECEIVES TAX RELIEF AND DEBT REPAYMENTS ARE DEFERRED. COATES SAID MINISTER OF MINES SADLI HAS BEEN APPRISED OF SITUATION AND PROMISED TO CONSIDER FREEPORT'S REQUEST THAT CURRENT INDONESIAN TAX ON SALES BE TRANSFORMED INTO TAX ON PROFITS.

5. COATES WILL EXIT IRIAN JAYA THROUGH AUSTRALIA. HE PROMISED TO BRIEF DEPARTMENT OFFICIALS ON HIS OBSERVATIONS AT MINE SITE WHEN HE RETURNS TO U.S.

RIVES

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SECURITY, SULFUR
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JAKARTA12207
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770328-0704
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770982/aaaacrbf.tel
Line Count: 108
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 08569849-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 JAKARTA 10544
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 11-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1336208
Secure: OPEN
Status: NATIVE
Subject: SECURITY SITUATION AT FREEPORT SULFUR SITE IN IRIAN JAYA
TAGS: PINS, EMIN, ID
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/08569849-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009